

1 **STATE OF NEW HAMPSHIRE**
2 **PUBLIC UTILITIES COMMISSION**

3
4 **March 13, 2018** - 10:11 a.m.
Concord, New Hampshire

27 MAR '18 PM 4:10

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6 RE: **DE 16-576**
7 **ELECTRIC DISTRIBUTION UTILITIES:**
8 **Development of New Alternative Net**
9 **Metering Tariffs and/or Other**
10 **Regulatory Mechanisms and Tariffs**
11 **for Customer-Generators.**
12 **(Hearing to receive public comment**
13 **on non-wires alternatives and the**
14 **Staff recommendation dated**
15 **February 16, 2018 related thereto.)**

16 **PRESENT:** Chairman Martin P. Honigberg, Presiding
17 Commissioner Kathryn M. Bailey
18 Commissioner Michael S. Giaimo

19 Sandy Deno, Clerk

20 **APPEARANCES:** *(No appearances taken)*

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22
23 Court Reporter: Steven E. Patnaude, LCR No. 52
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**CERTIFIED
ORIGINAL TRANSCRIPT**

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PUBLIC COMMENT BY:

Mr. Fossum (*Eversource*) 6, 13

Mr. Kreis (*OCA*) 8

P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: Good morning,
3 everyone. We're here in Docket 16-576, which
4 is the Alternative Net Metering docket. We are
5 going to do a public comment hearing on
6 non-wires alternatives -- the non-wires
7 alternatives portion of the order in that case
8 and what parties are going to be doing.

9 Staff has made a recommendation. I
10 might ask Mr. Wiesner to set the scene after
11 I've gotten the timing down.

12 But we're going to take oral comments
13 today, written comments by the end of the week.
14 We have a few people who have signed up, only
15 one of whom says they wish to speak. But we'll
16 give anyone else an opportunity to speak who
17 would like to.

18 Mr. Wiesner, you want to set the
19 scene for us.

20 MR. WIESNER: Mr. Chairman, I'll just
21 note that there are people listening on the
22 line. We have suggested to them that, unless
23 you see it otherwise, that they should listen
24 and not speak.

1 And I don't know if you want to know
2 who they are or --

3 CHAIRMAN HONIGBERG: Do you know who
4 they are?

5 MR. WIESNER: I heard some familiar
6 voices, but I didn't take attendance.

7 CHAIRMAN HONIGBERG: I don't think
8 it's necessary.

9 MR. WIESNER: Okay.

10 CHAIRMAN HONIGBERG: If people are
11 just listening in, then I don't need to know
12 who they are.

13 MR. WIESNER: Okay. So, we're here
14 today to consider Staff's recommendation that
15 the focus of the inquiry in the net metering
16 docket that goes to the value of distributed
17 generation on the distribution system, in
18 particular, in terms of distribution capacity
19 upgrade avoidance or deferral, be addressed
20 through a study approach, rather than through
21 the Non-Wires Alternative Pilot Program that
22 was directed to be implemented by the
23 Commission's order last year.

24 There was some -- it became clear

1 last fall, in the working group process, that
2 there was some difference of opinion about
3 whether non-wires alternatives should be
4 restricted to distributed generation or include
5 other types of distributed energy resources.
6 And I think our view had been that it was
7 restricted to DG. But we sought clarity from
8 the Commission. The Commission issued
9 questions to be addressed by stakeholders;
10 answers to those questions and comments were
11 received. And on the basis of that, Staff
12 recommended that the non-wires alternative not
13 become the focus, rather a study approach be
14 pursued, initially through the working group
15 process, and then probably through the hiring
16 of a consultant. And we also took the
17 opportunity in our recommendation memo to
18 outline some of the data that may be necessary
19 in order to perform that study.

20 So, this is the opportunity for
21 people to speak orally on the record with
22 respect to that recommendation. And as you
23 noted, there's also an opportunity to file
24 written comments by Friday.

1 CHAIRMAN HONIGBERG: Thank you,
2 Mr. Wiesner.

3 And, Mr. Fossum, you are the only
4 person who has signed up indicated they wish to
5 speak.

6 MR. FOSSUM: Okay. And if there's
7 nothing further, I guess I can do that. And my
8 comments are actually quite brief.

9 In general, Eversource's position is
10 that generally we agree with the Staff proposal
11 that was contained in the February 16th
12 communication from the Staff, with one note on
13 which we have some concern. Particularly, it
14 is Item 7, on Page 3 and continuing onto Page 4
15 of the Staff recommendation. And on that item,
16 two concerns.

17 First, at the outset of that
18 recommendation, there is a request seeking a
19 directive related to "utilities and other
20 parties", and that those entities both identify
21 and make available various pieces of data and
22 information. Our concern there is who those
23 "other parties" are. The Commission has some
24 authority to order utilities to provide certain

1 information. But it's not clear that it might
2 have authority to do so over "other parties".

3 If there's going to be a study of
4 relevant data and relevant information, we
5 believe the scope of the data needs to be
6 understood, so that those other parties can be
7 clearly identified, and the data that they need
8 to provide would also be identified, to ensure
9 that those other parties actually provide the
10 relevant data.

11 Our second concern has to do with the
12 various items the Staff has listed within its
13 Item 7 in its recommendation. Eversource is
14 seeking confirmation that this recommendation
15 is not a recommendation to begin the collection
16 of new datasets without any limitation. We
17 believe it's appropriate to confirm that the
18 data proposed for collection and dissemination
19 by the Staff is already within the scope of
20 data that the utilities collect, and is data
21 that's necessary and useful for the actual
22 study to be conducted.

23 Eversource believes that the data
24 collection should be deferred until a couple of

1 things have occurred. Specifically, that the
2 scope of the study has been decided; the vendor
3 or the methodology has been selected; and that
4 vendor has provided a list of required or
5 desired data necessary for its study.

6 An open-ended and overly broad
7 definition of the data to be collected would
8 likely result in delay and an inefficient use
9 of resources, and may actually serve as a
10 distraction from the studies to be undertaken.

11 So, those are our concerns. And that
12 is all that I have relative to the Staff
13 recommendation.

14 CHAIRMAN HONIGBERG: Thank you,
15 Mr. Fossum.

16 Anyone else who's present who wishes
17 to speak? Mr. Kreis, it looks like you're
18 grabbing the microphone.

19 MR. KREIS: Indeed, Mr. Chairman, I
20 am. And I apologize, I didn't realize that
21 there was a sign-up sheet. Had I known that
22 one existed, I would have readily affixed my
23 signature to it. However, as a result, I
24 artfully contrived to speak after Mr. Fossum.

1 And, so, I'm pleased with my inadvertent
2 strategic brilliance.

3 On behalf of the OCA, I would say
4 that the commitment in Order 26,029 to pilot
5 programs in the area of non-wires alternatives
6 was, from our standpoint, one of the major
7 pieces of good news to emerge from Docket
8 16-576. New investments in transmission and
9 distribution assets are expensive, particularly
10 in light of the irrepressible quest by
11 utilities for lavish returns on equity, and
12 thus in this regard distributed energy
13 resources have vast potential to deliver
14 meaningful benefits to all customers.

15 It follows logically that the
16 interests of residential utility customers,
17 indeed, all customers, are well-served if we do
18 not limit the universe of distributed energy
19 resources that can be evaluated as potential
20 alternatives to hard investments in
21 distribution and transmission assets.

22 Thus, we enthusiastically agree with
23 the recommendation in the Staff memorandum that
24 the development and implementation of any pilot

1 programs for non-wires alternatives, if
2 restricted to distributed generation, be
3 suspended indefinitely.

4 In connection with DE 16-576, any NWA
5 pilots should at a minimum include an energy
6 storage component.

7 Second, we heartily agree that the
8 Nexant study commissioned by Central Hudson Gas
9 & Electric in New York is a very useful example
10 of how New Hampshire utilities might better
11 understand the value of distribution level
12 benefits of distributed energy resources.
13 Although the Commission rejected a Central
14 Hudson-type study in the 16-576 order, you
15 appear to have done so entirely for practical
16 reasons, concerned that we lack the time and
17 money to study everything, rather than on
18 merit. In fact, this type of study has great
19 merit and would be well worth the investment of
20 ratepayer dollars.

21 Third, we very much appreciate the
22 Staff's recommendation to direct the utilities
23 to make available data relative to their
24 distribution system operations. We think the

1 list in the Staff memorandum is a useful one.
2 And I guess I don't see any -- I guess I
3 disagree with Mr. Fossum that there's any value
4 in delaying or suspending or further dithering
5 about what data we think the utility should be
6 gathering and providing. This data will be
7 foundational to understanding whether and how
8 distributed energy resources can bring value to
9 the distribution system.

10 Finally, we offer a bit of specific
11 comment on the Staff's second recommendation,
12 that the Commission acknowledge that
13 unrestricted non-wires alternatives may be
14 appropriate in another context, such as grid
15 modernization or least cost integrated resource
16 planning. The Commission should take this
17 opportunity to make that unassailably clear.

18 Several states, including New York,
19 California, Vermont, Rhode Island, and Maine,
20 have made consideration of non-wires
21 alternatives an integral component of their
22 utilities' capital project planning processes
23 for this very reason; it saves ratepayers
24 money.

1 In other words, we agree with Staff
2 that unrestricted, that is technology neutral,
3 non-wires alternatives may be appropriate in
4 the context of grid modernization or least cost
5 integrated resource planning, but we think the
6 Commission should go even further and today
7 clarify that a full analysis of planned capital
8 projects, and how they could be avoided or
9 deferred through non-wires alternatives, should
10 be a requirement of each least cost integrated
11 resource plan moving forward.

12 In the same vein, we remind the
13 Commission of this somewhat inconvenient truth:
14 We are now one week short of the first
15 anniversary of the Grid Modernization Working
16 Group Report, delivered to the Commission after
17 an extensive stakeholder engagement process
18 that followed the opening of a grid
19 modernization investigation by an Order of
20 Notice that was issued in the Summer of 2015.

21 Right now, if we were moving any
22 slower on grid modernization, we'd be moving
23 backwards, and we'd be talking about the need
24 for more baseload generation and new

1 investments in coal and nuclear. It's time to
2 jump-start the grid modernization process, and
3 make the least cost integrated resource
4 planning process something more than a rote
5 exercise in demonstrating that the utilities do
6 indeed plan. The Commission should instead
7 make clear that the utilities cannot drag their
8 feet on a robust approach to non-wires
9 alternatives, because, as their comments make
10 clear, they do intend to drag their feet unless
11 dragged along by their ratepayers and their
12 regulators.

13 CHAIRMAN HONIGBERG: Thank you, Mr.
14 Kreis.

15 Is there anyone else here who wishes
16 to speak? Mr. Fossum, you want to say
17 something else?

18 MR. FOSSUM: I hadn't intended to,
19 but only in response to Mr. Kreis's last point.

20 We have no intentions of dragging our
21 feet, and that was not at all the reason for me
22 saying what I had said.

23 The concern from Eversource is that
24 we would be asked or required to produce a

1 bunch of data that may not be useful and that
2 would be a waste of time. If we know what
3 this -- whoever this study consultant might be
4 wants and needs, we will provide that. But to
5 provide an unrestricted and unlimited list of
6 information ahead of time seems wasteful and
7 unnecessary.

8 CHAIRMAN HONIGBERG: Thank you,
9 Mr. Fossum.

10 Anything else from anyone who's
11 here?

12 *[No indication given.]*

13 CHAIRMAN HONIGBERG: All right. So,
14 the written comments should be in by Friday,
15 which is the 16th of March.

16 And with that, we will close the
17 public comment hearing. Thank you all.

18 ***(Whereupon the hearing was***
19 ***adjourned at 10:24 a.m.)***